



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF NET TALK.COM)
INC. FOR AUTHORITY TO PROVIDE LOCAL)
EXCHANGE TELECOMMUNICATIONS SERVICES)
THROUGHOUT THE STATE OF NEW JERSEY)

ORDER

DOCKET NO. TE09060455

(SERVICE LIST ATTACHED)

Miguel Veizaga, Regulatory Consultant, Regulatory Back Office, Inc. Miami, Florida - for
Petitioner

Nick Kyriakides, Regulatory Contact, Net Talk.Com, Inc. Miami, Florida - Petitioner

BY THE BOARD:

Pursuant to N.J.S.A. 48:2-1 et seq. and Section 253 of the Federal Telecommunications Act of 1996, 47 U.S.C. §151 et seq., and by letter dated June 2, 2009, Net Talk.com Inc. ("Petitioner" or "Net Talk.com") filed a Petition with the New Jersey Board of Public Utilities ("Board") requesting authority to provide resold and facilities-based competitive local exchange telecommunications services throughout the State of New Jersey. Petitioner has submitted its financial information under seal and has filed an affidavit with substantiation for confidential treatment in accordance with the Board's rules for determining confidentiality, N.J.A.C. 14:1-12.1 et seq. and in compliance with the Open Public Records Act, N.J.S.A. 47:1A-1 et seq.

Net Talk.com is a privately held corporation organized under the laws of the State of Florida. Vicis Capital Master Fund, Existing Discover Screen Shareholders and Anastasios Kyriakides, President, have 50.29%, 16.19% and 8.80% ownership interest in the company respectively and, together they have a total of 75.28% stake in the company. The remaining 24.72% is owned by nine (9) minority investors each having less than 5% ownership interest in the company. The company was initially incorporated on May 1, 2006 under the name of Discover Screen, Inc. On September 10, 2006, the company filed the Articles of Amendment to the Articles of Incorporation, changing its name to Net Talk.com. Petitioner's principal offices are located at 1100 NW 163rd Drive, Suite B-4, Miami, Florida 33169.

Petitioner has submitted copies of its Articles of Incorporation and Articles of Amendment to the Articles of Incorporation from the State of Florida and its New Jersey Certificate of Authority to Operate as a Foreign Corporation. Applicant is authorized to provide competitive local exchange

carrier services in the States of Arkansas, Florida, Indiana, Kansas, Kentucky, Montana, Nebraska, North Dakota, Oregon, Texas, Washington, Wisconsin, Illinois, South Dakota, Alabama, Ohio, New York, New Mexico, North Carolina, Idaho and Massachusetts and its application is pending in the states of Wyoming, Utah, Georgia, Arizona, California, Iowa, Missouri, Minnesota and New Jersey. Petitioner has not commenced operations in New Jersey. The Company states that it has not been denied authority to provide telecommunications services, its authority has not been revoked in any jurisdiction and it has not been the subject of any civil or criminal proceedings. Petitioner has not entered into any interconnection agreement with any Incumbent Local Exchange Carriers ("ILEC") but plans to do so and will notify the Board, accordingly.

Petitioner seeks authority to provide resold and facilities-based competitive local exchange telecommunications services to both residential and business customers in the State of New Jersey. Petitioner will resell traditional local exchange services of other authorized Competitive Local Exchange Carriers ("CLEC") as allowed by the Board. Petitioner's services will consist of basic and optional local exchange services available for resale through ILECs and CLECs. The company will provide its services by combining unbundled network elements and reselling services obtained from ILECs located in New Jersey pursuant to the interconnection agreement. Petitioner states that it will not construct any facilities and will not extend any existing facilities within New Jersey to provide its proposed services. However, its business plans includes acquiring services and facilities from other carriers operating in the State and may eventually install its own facilities to provide services within the State of New Jersey. Petitioner maintains a toll-free number for customer service inquiries. Petitioner will file a proposed tariff with the Board.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3, which requires that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts ("USOA"), respectively. In the interest of efficiency and to prevent undue burden, Petitioner requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles and to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate offices located in Miami, Florida. Petitioner also states, upon written notice from the Board and/or Board Staff, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

Petitioner asserts that approval of its Petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petitioner also asserts that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings.

With regard to its technical and managerial qualifications, Net Talk.com states that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petitioner has submitted the professional biographies of its key personnel, who, according to Net Talk.com, are well qualified to execute its business plans and have extensive managerial and technical experience in the telecommunications industry.

DISCUSSION

On February 8, 1996, the Federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et seq., was signed into law, removing barriers to competition by providing that "[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service." 47 U.S.C. §253(a).

Any grant of authority is subject to the right of the Board as the state regulatory authority to impose requirements necessary to protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers. 47 U.S.C. §253(c).

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets of qualified applicants. 47 U.S.C. §253(a). The Board also considers the New Jersey State Legislature's declaration that it is the policy of the State to provide diversity in the supply of telecommunications services and the Legislature's findings that "competition will promote efficiency, reduce regulatory delay, and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed Net Talk.com's Petition and the information supplied in support thereof, the Board FINDS that the Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES the Petitioner to provide local exchange telecommunications services throughout the State of New Jersey.

The Board also FINDS that in accordance with N.J.S.A. 48:2-59 and 48:2-60 and N.J.S.A. 52:27EE-52 the Petitioner is subject to an annual assessment by both the Board and the Division of Rate Counsel, respectively. The Board notes that the Petitioner will not be permitted to provide telecommunications services until a tariff is filed with the Board. However, Petitioner won't be relieved from its responsibility to file an Annual Report and a Statement of Gross Intrastate Revenues from Operations form for the preceding calendar year and payment of annual assessment to both the Board and the New Jersey Division of Rate Counsel.

The Board HEREBY ORDERS that:

- 1) Petitioner shall file its tariff with the Board.
- 2) Pursuant to N.J.S.A. 48:2-16(2)(b) and N.J.A.C. 14:3-6.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year. Pursuant to N.J.S.A. 48:2-16.3, if Petitioner fails to file an annual report by the due date, Petitioner shall be subject to a penalty of \$5.00 for each day thereafter until such report is filed.
- 3) Pursuant to N.J.S.A. 48:2-62, Petitioner shall file a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before June 1 of the following year.

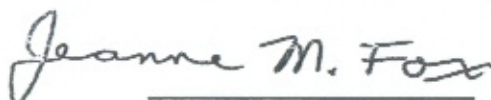
On or before February 1st of each year, the Petitioner will receive from the Division of Audits an annual report package and a statement of gross intrastate revenues from operations form for

the preceding calendar year. The purpose of these documents is to report the Petitioner's financial information and gross intrastate revenues from operations as of December 31 of each year. The annual report and a statement of gross intrastate revenues from operations form are due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive these documents, it is Petitioner's responsibility to obtain them from the Board. It is also the Petitioner's responsibility to ensure timely filing of these reports.

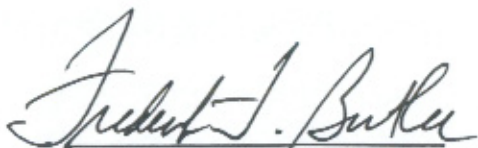
Regarding the Petitioner's request for waivers of the Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements that the Petitioner maintains its books and records in accordance with USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES the Petitioner's request for the exemptions from maintaining its books and records in accordance with USOA and in New Jersey.

DATED: 11/10/09

BOARD OF PUBLIC UTILITIES
BY:



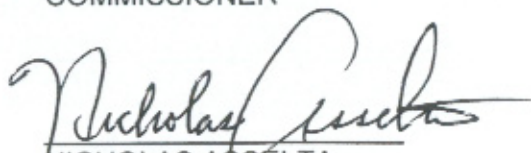
JEANNE M. FOX
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FREDERICK F. BUTLER
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COMMISSIONER



NICHOLAS ASSELTA
COMMISSIONER

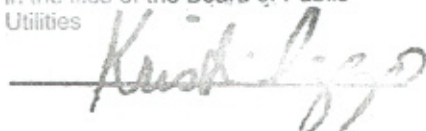


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



IN THE MATTER OF THE PETITION OF NET TALK.COM INC. FOR
AUTHORITY TO PROVIDE LOCAL EXCHANGE
TELECOMMUNICATIONS SERVICES
IN THE STATE OF NEW JERSEY

DOCKET NO. TE09060455

SERVICE LIST

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